BRITISH COLUMBIA
The Best Place on Earth

BCStats

Infoline

Contact: bcstats.infoline@gov.bc.ca *Issue: 10-45* *November 12, 2010*

- **Value of BC exports rises 4.1% in September**
- **Housing starts in BC slow 7.4% in October**
- **BC's aquaculture industry sees revenues improve 9.3% in 2009**

The Economy

- **The value of British Columbia's exports increased 4.1% (*seasonally adjusted*) in September.** Recovering from the sharp decline recorded during the previous month, increased shipments of energy products (+16.6%) were responsible for the lion's share of the overall rise in exports. Higher exports of agricultural & fishing products (+10.2%) as well as machinery & equipment and automobiles (+3.6%) also contributed to the rise.

  Shipments heading for the United States slumped (-7.6%) to their lowest point since October 2009. The slowdown in south-bound exports was primarily reflective of a one-third drop (-33.7%) in the value of energy shipments, the largest monthly decline in energy exports since August 2008.

  Exports destined for countries other than the US surged ahead (+15.6%) in September. Contrary to the US trade picture, energy shipments leaped nearly two-thirds (+63.4%) higher during the month, offsetting a substantial slide (-17.4%) in industrial and consumer products.

  Nationally, exports slipped 1.7% in September. Automotive (-6.6%), consumer (-15.9%) and industrial (-2.3%) goods were all down during the month, offsetting the increase in exports of machinery & equipment (+3.6%).

  Data Source: Statistics Canada & BC Stats

- **The number of housing starts in British Columbia slowed 7.4% (*seasonally adjusted*) in October.** Sharp declines were recorded for both multiple-unit (-11.0%) and single-family (-4.9%) projects in BC's major urban centres, particularly in Vancouver where housing starts fell 11.5%. Conversely, rural BC saw a 6.1% increase in the number of new homes under construction.

  Nationally, housing starts tumbled 9.2% in October, the largest of three consecutive monthly declines registered since August. Ontario (-22.9%) posted the most significant drop in starts with PEI (-20.0%) and Saskatchewan (-13.0%) both registering a double-digit slowdown. Only New Brunswick (+104.2%), Nova Scotia (+14.6%) and Newfoundland & Labrador (+9.7%) showed an increase in starts.

  Data Source: Canada Mortgage and Housing Corporation

- **Compared to the same month last year, contractors in British Columbia saw a 2.2% increase in new housing prices (house and land) in September.** This marks the eighth straight year-over-year increase in new housing prices since February. Much of this has been due to rising pricing for new homes in Vancouver (+2.5%), while prices in Victoria (-0.6%) continued to slip lower. Prior to this recent run of increases, BC experienced a period of decline in the price of new homes that lasted sixteen consecutive months.

  Nationally, prices for new homes rose 2.7% in September. Manitoba (+5.2%), Newfoundland & Labrador (+4.9%), Saskatchewan (+4.6%) and Quebec (+4.2%) all posted price increases well above the national average. PEI (-2.2%) was the only province to register a year-over-year drop in prices for new housing.

  Data Source: Statistics Canada

Report **BC Small Businesses in the Recession, 2009**

Did you know...

Roughly 12% of coffee drinkers in Western Canada admit that they are addicted to the drink.

Data Source: Ipsos Canada

- **Revenues in British Columbia's aquaculture industry climbed 9.3% in 2009, making up for most of the decline recorded in the previous year.** Sales of finfish, nearly all of which was in salmon production, accounting for just over nine-tenths of all aquaculture revenues in BC, jumped 9.6% during the year while mollusc sales rose a more modest 3.8%. British Columbia is Canada's top producer of aquaculture products, accounting for more than half (58%) of industry revenues.

Data Source: SC Cat. no. 23-222-X

Third Quarter in Review

- **The value of exports from British Columbia retreated 3.8% (*seasonally adjusted*) during the third quarter of 2010, the first quarterly decline since the spring of 2009.** Industrial & consumer goods (-11.4%) and forestry products (-7.5%) exports were both down sharply, and accounted for most of the decline in total shipments. The value of energy exports edged down slightly (-0.7%).

  US-bound exports were off 5.7%, largely due to a double-digit decline (-16.6%) in the value of forestry product shipments. Despite a nearly one-third (+32.2%) increase in the value of agriculture & fish products, exports to overseas countries were down 2.1%, due to a sharp drop (-15.7%) in sales of industrial & consumer goods.

Data Source: Statistics Canada & BC Stats

Tourism

- **Government revenues generated from tourism activities in BC were down 7.9% in 2009.** Total federal tax revenues were off 8.3% while provincial level revenues declined 7.2%. Revenues generated from sales of goods and services (including GST, PST and other consumption taxes) dropped 3.6%.

Data Source: BC Stats

- **Canada-wide, government revenues attributable to tourism activities dipped 3.7% in 2009, the first drop recorded since 2003.** Tourism spending by international visitors slumped (-12.8%) as the number of travellers from the United States and overseas were down in 2009. Domestically, tourism spending slipped 1.8%, the only time since 2000 (the start of this series) that domestic tourism-related expenditures has fallen.

Data Source: SC Cat. no. 13-604-M2010067

Causes of Death

- **In 2007, there were 235,217 deaths recorded in Canada with approximately one in three deaths attributable to some form of cancer (malignant neoplasm).** Among cancer deaths, lung cancer claimed the largest toll (26%), followed by colon (8%) and breast (7%) cancer. Heart disease was responsible for nearly a quarter (22%) of deaths while respiratory disease caused the deaths of just under one in ten (9%) Canadians.

  Approximately 6% or 14,941 deaths in Canada were due to external causes, such as accidents, assault or suicide. Accidental death accounted for nearly two-thirds (9,778) of deaths due to external causes with transportation accidents (both traffic and non-traffic related) responsible for roughly one-third (3,077) of accidental deaths. Almost one-quarter (3,608) of deaths due to external causes were attributable to suicide and three percent (512) due to assault.

Data Source: SC Cat. no. 84-208-X

Oops!

A couple of mistakes slipped into last week's edition of Infoline (Issue 10-44) highlights.

The second sentence in the bullet about production at BC's sawmills should have read as follows:

Output at Coastal mills jumped 13.4% and the production increase at *Interior* mills was even more notable (+26.4%).

And the building permits cited were for [illegible] not October.

Infoline Issue: 10-45
November 12, 2010

Infoline Report

Contact: Jade Norton
(250) 387-6056
originally published in
Business Indicators, issue 2010-10

BC Small Businesses in the Recession, 2009

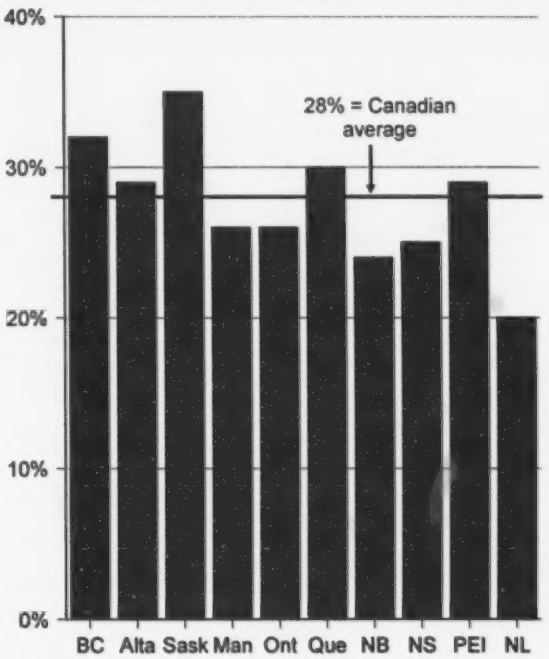
It is always interesting to look at how small business fares in the province, especially in view of the recent downturn in the global economic climate[1]. Small business contributes to the provincial economy in a number of ways: by creating and maintaining employment, through its production of goods and services, as a source of innovation and by meeting payrolls that support families and stimulate further economic activity.

A business is defined as a small business if it is either:

- **A business with fewer than 50 employees**
- **Operated by a self-employed person with no paid help**

In 2009, small business in British Columbia accounted for 32 per cent of the province's GDP, well above the national average of 28 per cent. British Columbia ranks among the highest of the provinces (second only to Saskatchewan), suggesting that small business plays a more significant role in the provincial economy in British Columbia than it does in most other parts of the country.

BC ranked second among the provinces in proportion of GDP generated by small business



Source: BC Stats

A total of 402,800 businesses were operating in British Columbia in 2009. Of those, 395,900, or 98 per cent, were small businesses. Just over 56 per cent of all businesses in the province were operated by self-employed individuals with no paid help. By comparison, only 54 per cent of all Canadian businesses were comprised of self-employed people with no paid employees.

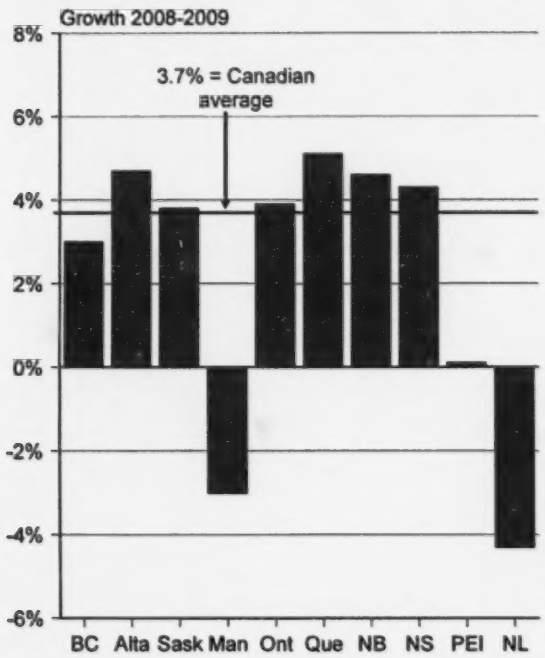
Small business expands in BC

Between 2008 and 2009, the number of small businesses in British Columbia climbed 3.0 per cent, a solid recovery from the slight dip recorded a year earlier. Both small businesses with employees (+0.7 per cent) and businesses operated by unincorporated self-employed individuals without paid help (+4.8 per cent) saw their numbers in-

[1] This article is a summary of a larger report: Small Business Profile 2010, which is available online at www.bcstats.gov.bc.ca

crease. The 3.0 per cent jump in small businesses was slightly below the national average of 3.7 per cent growth. Quebec (+5.1 per cent) led the country in small business growth, followed by Alberta (+4.7 per cent). Meanwhile, Newfoundland and Labrador (-4.3 per cent) and Manitoba (-3.0 per cent) were the only provinces to post declines.

Growth in the number of small businesses from 2008 to 2009

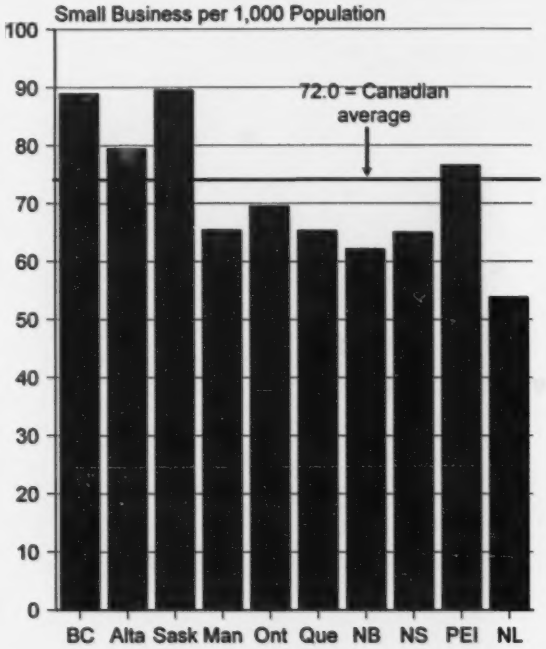


Source: BC Stats using data supplied by Statistics Canada

Western Canada generally has more small businesses per capita

Small businesses are more prevalent in Western Canada compared to the rest of the country, at least in terms of businesses per capita. In 2008, British Columbia ranked first among the provinces in its number of small businesses per 1,000 people. By 2009, the province had increased its per capita small business rate, but was outpaced by Saskatchewan, which edged past British Columbia (with 89.5 small businesses per 1,000 people). Despite its slip to a second-place ranking, with a rate of 88.9, British Columbia remained well ahead of the other provinces. The only other provinces to exceed the Canadian average of 72.0 small businesses per 1,000 people were Alberta (79.4) and Prince Edward Island (76.5).

Small business is bigger in western Canada



Source: BC Stats using data supplied by Statistics Canada

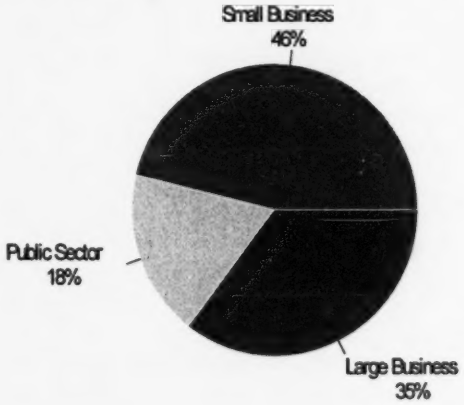
Small business accounts for nearly half of all jobs in the province

There is a wide variety of activities in which small businesses in British Columbia are engaged, ranging from family-owned corner stores, to self-employed computer programmers to small lumber milling operations. Almost three-quarters of all businesses in the province are in service sector industries, with small businesses just slightly less likely to be providing a service as large businesses.

British Columbia's small business sector was the source of approximately 1,045,400 jobs in 2009. This accounts for almost half (46 per cent) of all the jobs in the province. The private sector (in-

cluding both small and large businesses) employed 1,842,400 people in British Columbia in 2009, of which 57 per cent were in small business, a ratio that has remained essentially unchanged over the past decade. Last year, self-employed workers represented 24 per cent of total private sector employment. Of those people who were employed by a business, 33 per cent worked for a small business and the remaining 43 per cent were employees of large businesses.

Almost half the working people in BC worked in small business



Note: Figures do not add to 100 per cent due to rounding
Source: BC Stats using data supplied by Statistics Canada

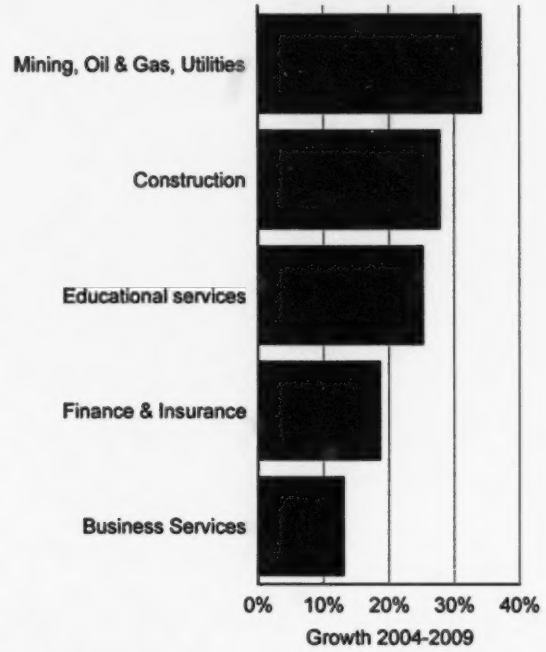
In 2009, small business employment slipped for the first time in nearly a decade, contracting by 1.2 per cent over 2008 levels. This was the first downturn since 2001, when the province saw a 1.6 per cent loss in small business employment. Given the economic slowdown, the shrinkage in small business employment in British Columbia (and other provinces) is understandable. Yet this decline was notably less than that of large business, which saw employment fall by 4.6 per cent. The decline in small business employment in 2009 was the result of a 4.8 per cent drop in the number of employees of small businesses. Conversely, self-employment jumped 4.2 per cent, showing considerable strength, but not enough to offset the overall decrease.

The 1.2 per cent decline in small business employment in British Columbia between 2008 and 2009 was more pronounced than the 0.6 per cent loss recorded nation-wide. The overall decrease at the national level reflected weaknesses in six provinces. Along with British Columbia, Alberta, Newfoundland and Labrador, and Prince Edward Island had declines in small business employment of more than one per cent. Saskatchewan, by contrast, posted by far the most significant rise, at 2.3 per cent. The 2009 abatement in small business employment could be attributed largely to the construction boom that began in 2005 and eased last year. As well, this drop may have been exacerbated by a decrease in construction associated with the 2010 Winter Games. The global economic downturn also likely influenced the drop in demand for construction activities and undoubtedly affected employment growth in other sectors as well.

Construction sector created the most new jobs between 2004 and 2009

Between 2004 and 2009, the construction industry was the largest provider of new small business jobs in British Columbia. Employment in this industry surged 27.8 per cent as the recent construction surge in the province created approximately 17,600 new jobs over the five year period. Until 2009, construction jobs had increased every year since at least the beginning of the decade, with the biggest jump seen in 2007, during the peak of construction in preparation for the 2010 Winter Olympics. However, this trend came to a halt in 2009, marking the first year in the past decade where construction jobs declined. The business services sector also added a substantial number of new jobs over the past five years, increasing its employment by 13.1 per cent and creating nearly 11,900 new jobs. In terms of growth rates, the mining, oil and gas extraction and utilities industry recorded the most significant increase in employment over this period with a 34.1per cent spike in employment (an addition of about 1,100 jobs).

Small business employment – fastest growing industries in British Columbia, 2004–2009



Source: BC Stats using data supplied by Statistics Canada

Self-employment is on the rise

Over the last five years, the ratio of self-employed over total employment has remained sizeable. In 2009, self-employment accounted for 19.7 per cent of total employment, up more than a full percentage point from 2008 (18.5 per cent). In 2009, for the third straight year, the province's share of self-employed workers was the highest in the country.

The overall number of self-employed workers in British Columbia surged 4.2 per cent in 2009, or by approximately 17,800 workers. This increase followed a comparatively small rise in 2008 and marked the second largest gain in self-employment in British Columbia in the past decade. A number of factors can impact self-employment patterns. In 2009, the uneasy economic environment may have had a significant impact. In these unsure economic times, some people may have turned to self-employment in the face of layoffs or lack of job security.

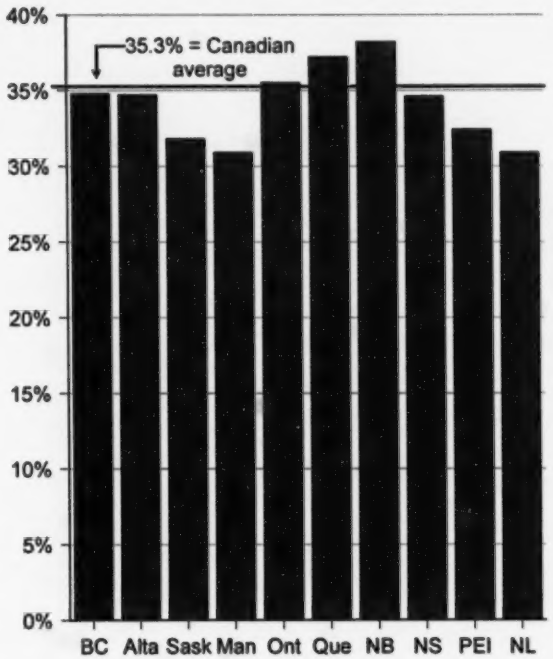
Over the last decade, the number of self-employed persons with employees, regardless of incorporation status, expanded at a much slower rate (11.0 per cent) than those without paid help (21.4 per cent). However, in recent years, both classifications have exhibited similar signs of growth. It has always been common to see more self-employed individuals without paid help than those with employees. This is not surprising, given that many small businesses begin with one individual running their own business, often from home. As they grow, they in turn take on employees.

Self-employed characteristics differ from those of employees

On average, self-employed people tend to be older, are more often men, work longer hours and are less likely to be Aboriginal peoples compared to workers who are employees.

Well over half (56 per cent) of British Columbia's self-employed are between the ages of 35 and 54, compared to only 45 per cent of employees. While 40 per cent of employees are under the age of 35, only 17 per cent of self-employed business owners fit this description. At the other end of the scale, 28 per cent of entrepreneurs are aged 55 and over, compared to only 15 per cent of employees.

Proportion of small businesses owned by women



Source: Statistics Canada / Prepared by BC Stats

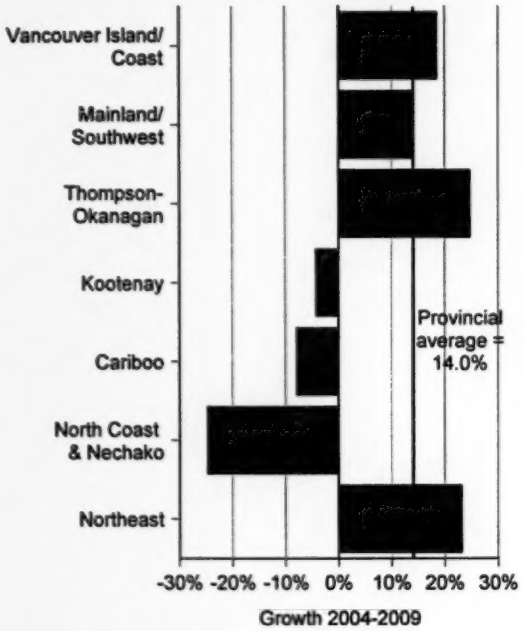
Another difference that emerges between self-employed persons versus employees is gender balance. While workers who are employees are equally likely to be men as women, those that are self-employed are more often men. In 2009, in British Columbia, almost two-thirds of the self-employed were men. As in the rest of the country, women entrepreneurs in British Columbia are making some important strides for business in the province. Last year, 34.8 per cent of all business owners in British Columbia were women. This was slightly below the national average of 35.3 per cent, but the fourth highest rate among the provinces.

The Thompson-Okanagan region is BC's leader in small business growth

Since 2007, three of British Columbia's regions recorded growth in the number of small businesses while the other areas experienced significant declines. As a result, the province registered a net gain of 2.9 per cent, or around 11,100 businesses. Over this period, the Thompson-Okanagan region, where forestry and agriculture are among the principal industries, led the province in small business growth. The two-year growth rate for this region was 9.0 per cent, amounting to a net increase of 4,400 businesses. With an increase of 4.8 per cent, Vancouver Island/Coast had the next highest growth rate, adding 3,300 net new small businesses over the two year period. In terms of actual numbers, Mainland/Southwest added the most new businesses to the province, amounting to approximately 9,500 establishments, which translates to a growth rate of 4.3 per cent. The other four regions all experienced a drop in the number of businesses, with each region losing in excess of 1,000 businesses between 2007 and 2009.

The Thompson-Okanagan was also the region with the strongest growth in the number of self-employed between 2004 and 2009. The 24.7 per cent surge in self-employment in that region was slightly ahead of the 23.1 per cent rise recorded in the Northeast region.

Self-employment growth rate highest in Thompson-Okanagan, 2004-2009



Source: Statistics Canada / Prepared by BC Stats

Continued growth

The growth in communications technologies such as E-commerce has helped make the world a smaller place from a business sense. In 2008 (the latest year for which data on small business exporters are available), approximately 55 per cent of British Columbia small business exporters shipped exclusively to the United States. Another 21 per cent exported goods to the United States and at least one other country. Only 24 per cent of small businesses that exported did not ship any goods at all to the United States. The small business sector is already an important part of the British Columbia economy and new technology could help it grow and become even more essential in the future.

It is inarguable that small business in BC has, in more ways than one, shown significant strength in recent years. As such, small business appears poised to continue to expand and remains a vital and vibrant part of the province's economic landscape.

Statistics Canada's Survey Skills Workshops

Call for our workshop calendar!

Developing Satisfaction Surveys

This workshop teaches the fundamentals of designing and implementing an effective satisfaction survey. The course material will assist researchers in producing respondent friendly questionnaires that result in useful and accurate survey data. The course will also help to provide an understanding of the importance of client and employee satisfaction in strategic decision making and business planning. The unique aspects of this type of survey enable you to determine your client's service expectations and their perceptions of your organizations performance.

VANCOUVER

Nov. 30– Dec. 1, 2010
8:30 am - 4:30 pm

Venue
2nd Floor , Library Square
300 West Georgia
West Georgia St., Vancouver

Workshop Topics include:

Survey Planning

- Performance measures
- Client satisfaction vs. employee satisfaction
- Fundamentals of collecting data and maximizing response

Questionnaires

- Question structure; open and closed questions
- Rating scales
- Questionnaire design; wording, sequencing and layout

Sampling Methods

- Probability vs. non-probability sampling
- Sample types and exit surveys
- The factors affecting sample size

Processing and Analysis

- The "drivers" of satisfaction
- Summarizing, graphing and presenting survey findings

Register early as space is limited

Fee is $550 + applicable taxes

Early registration: $499 + taxes (at least 3 weeks prior)

Learn from the Survey Experts!!

F.T.

REGISTRATION

Name: _____

Title: _____

Organization: _____

Address: _____

City: _____ Postal Code: _____

Tel: _____ Fax: _____

E-mail: _____

Visa__ M/C__ Amex__ Cheque__ Amount $ (incl. taxes):_____

Card No: _____

Cardholder: _____ Expiry Date: _____

Signature: _____

To register, please return form to:
Workshop Registrar
Statistics Canada
600– 300 West Georgia Street
Vancouver, BC, V6B 6C7
Tel: Toll Free (888)-799-0050
Fax: Toll free (877) 287-4369
west.info@statcan.gc.ca

Please make Cheque and Money Orders payable to '**Receiver General for Canada**'

Cancellation Policy - Cancellations received in writing 7 business days prior to the start date of the workshop will receive a full refund. After that date no refunds will be made, but a one-time substitution will be permitted. Please advise the Workshop Coordinator 3 business days before the workshop for substitutions. However, if you do not cancel and do not attend, you will be charged the full registration fee and no substitutions will be made. Travel and accommodation expenses are the responsibility of the workshop participants.

Statistics Canada will only use your information to complete this sales transaction, deliver your product(s), announce product updates and administer your account. From time to time we may offer you other Statistics Canada products and services or ask you to participate in our market research. If you do not wish to be contacted again for ☐ promotional purposes ☐ and/or market research, check as appropriate and fax or mail this page to us, call (604) 666-1851 or e-mail west.info@statcan.gc.ca

Aussi disponible en français.

Statistics Canada Statistique Canada

Canada

Infoline

November 12, 2010
Issue 10–45

Email transmission information service from BC Stats

also on the Internet at www.bcstats.gov.bc.ca or choose RSS

BC at a glance . . .

POPULATION (thousands)	Jul 1/2010	% change on one year ago
BC	4,531.0	1.6
Canada	34,108.8	1.2
GDP and INCOME (Released Nov 4)		
(BC - at market prices)	2009	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	191,006	-3.4
GDP *($ 2002 millions)*	161,851	-1.8
GDP *($ 2002 per Capita) (reflects revised pop)*	36,287	-3.5
Personal Disposable Income *($ 2002 per Capita)*	25,374	-1.9
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Aug 2010	2,975	-0.1
Merchandise Exports - Sep 2010	2,402	4.1
Retail Sales - Aug 2010	4,771	-0.1
CONSUMER PRICE INDEX	% change on	12-month avg
(all items - Sep 2010)	one year ago	% change
BC	1.6	0.8
Vancouver	1.9	1.1
Victoria	1.2	0.5
Canada	1.9	1.4
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Oct 2010	prev. month
Jobs Created (-Lost) - BC	1.5	
Labour Force - BC	2,507.0	0.0
Employed - BC	2,321.8	0.1
Unemployed - BC	185.1	-1.5
		Sep 2010
Unemployment Rate - BC *(percent)*	7.4	7.5
Unemployment Rate - Canada *(percent)*	7.9	8.0
INTEREST RATES (percent)	Nov 10/2010	Nov 11/2009
Prime Business Rate	3.00	2.25
Conventional Mortgages - 1 year	3.20	3.80
- 5 year	5.19	5.84
US-CANADA EXCHANGE RATE	Nov 10/2010	Nov 10/2009
(avg. noon spot rate) Cdn $ per US $	1.0017	1.0518
(closing rate) US $ per Cdn $	1.0000	0.9523
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Oct 2010	one year ago
BC	828.30	2.4
Canada	830.61	1.8

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

Small Business Profile 2010

The 2010 Edition of the annual profile of small business in British Columbia is now available. The report provides information on British Columbia's small businesses, including number of businesses, employment and small business' contribution to the provincial economy.

www.bcstats.gov.bc.ca/data/bus_stat/busind/sm_bus.asp#sbp

Academic Journal Reviews Impact on Census

The publication of the schedule of questions for the 2011 Census on June 26, 2010 in the *Canada Gazette* was the first public appearance of plans by the Federal Government to fundamentally alter the basis of the questionnaire that is the bedrock of dozens of other high profile surveys such as the Labour Force Survey and the Consumer Price Index. Much has appeared in the press and other media stating both sides of the argument. The University of Toronto Press has contributed a series of articles in the journal *Canadian Public Policy* to bring sound academic argument to lay the foundation of fact on which to base further discussion of the policy decision by the Federal Government.

www.bcstats.gov.bc.ca/census.asp#C2011

Open Data extends to Trade Profiles and Quarterly Regional Statistics

This completes the initial phase of a project to offer Excel/CSV equivalents for files previously available only in PDF format. The files are available through our Area Profiles page.

www.bcstats.gov.bc.ca/data/dd/profiles.asp

Released this week by BC Stats

- Exports, September 2010

Next week

- No subscription releases

BC Stats, Box 9410 Stn Prov Govt, Victoria, B.C. V8W 9V1
Tel: 250-387-0327 Fax: 250-387-0380 Web: www.bcstats.gov.bc.ca E-mail: BC.Stats@gov.bc.ca